

Date: August 4, 2015
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Jina B. Propst, Assistant Director, General Services Department

Subject: Network Hut License Agreement between the City of Durham and Google Fiber North Carolina, LLC

Executive Summary

Google Fiber North Carolina, LLC (Google) proposes to install and maintain a fiber optic network within the City limits. On May 19, 2014, City Council authorized the City Manager to execute a Network Hut License Agreement with Google for the construction and housing of network equipment huts to be located on various sites owned by the City of Durham. At that time, City Council was informed that, as Google identifies individual sites for siting of network huts, staff would seek approval for site specific lease terms for each site.

Google has identified the first three of several hut sites they require in locations throughout the City. The sites being requested are: on the parcel housing the City's Angier Avenue Water Tank located at 4105 Angier Avenue, on the parcel housing the City Fire Station 6 located at 3700 Swarthmore Road, and on the parcel of the City's Piney Wood Park located at 400 Woodcroft Parkway.

Each licensed hut site of approximately 1600 square feet (~32' X ~50') will be provided to Google for an annual fee of \$2.00 per square foot.

Recommendation

To authorize the City Manager to execute Network Hut License Agreements with Google Fiber North Carolina, LLC for construction and housing of network equipment huts to be located on real property owned by the City of Durham, and authorize the Mayor to execute any easements necessary to allow access for utility services providers to the improvements within the license areas.

Background

Google proposes to design and build fiber networks with speeds 100 times faster than current industry standards, matching gigabit speeds currently being installed by AT&T and Frontier Communications. It is generally acknowledged that abundant high-speed internet is critical for sparking innovation, driving economic growth, and improving education in communities. In February of 2014, Google announced that the company would be exploring new cities for the expansion of its Google Fiber. The list of cities identified for possible Google Fiber expansion included Durham, NC. In recent years, Google has developed high-speed internet projects in Kansas City, MO., Austin, TX, and Provo, UT. In addition to the Raleigh-Durham site, the February announcement included other possible expansions to Portland, OR, San Jose, CA, Salt Lake City, UT, Phoenix, AZ, San Antonio, TX, Nashville, TN, Atlanta, GA, and Charlotte, NC.

In early 2014, the City Manager's Office along with staff of Chapel Hill, Carrboro, Raleigh, Cary, Garner, and Morrisville were introduced to Google Fiber's possible expansion plans in those seven Triangle municipalities. A joint planning process was initiated with City leaders to map out a Google Fiber network in detail. The process included detailed study of local factors that could affect construction including topography, housing density and the condition of local infrastructure. In January 2015, Google announced it intends to move forward with plans to construct their network in the Triangle.

On June 15, 2015, City Council authorized execution of a License Agreement with Google that permits installation of fiber facilities in portions of City Rights of Way as approved by the City. This action is the next step in the process of allowing Google's installation of its fiber optic network within the City limits.

Issues and Analysis

A network hut contains the glass fibers and devices that receive and transmit signals between a computer and the internet. In Google's network design each network hut serves approximately 20,000 households. Each network hut site requires approximately 1,600 square feet of space and additional easements to utilities providing services to the site including Duke Power for electric, PSNC for gas, and Frontier for telephone service. The negotiation and rate for network hut sites in Durham has already been approved by City Council. Site specific lease terms for each network hut are provided as an exhibit to each Network Hut License Agreement presented. The exhibit includes a legal description of the site, the annual fees to be paid for use of the site, and any other terms or requirements applicable to the specific site.

Alternatives

City Council could not authorize any or all of the sites identified or direct staff to further work with Google to amend site specific terms.

Financial Impact

All revenue will be deposited into the General Fund Facilities Revenue Account.

SDBE Summary

The item was not reviewed by the EO/EA department

Attachments

Network Hut License Agreements, Plan Sheets for each site, Aerial View of each site